



One Hundred First Legislature - First Session - 2009
Introducer's Statement of Intent
LB 559

Chairperson: Abbie Cornett
Committee: Revenue
Date of Hearing: March 19, 2009

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 559 amends the Convention Center Financing Act to allow first class cities to use the sales tax turn back mechanism. LB 559 changes the definition of associated hotel in applications received after February 1, 2008, to include hotels within one mile of an eligible facility in a city of the first class. It does not change the 450 yard limitation for other cities.

LB 559 will allow the state assistance to be used for amounts expended or borrowed by the political subdivision without requiring the issuance of bonds. A certified copy of the approving action of the governing body explaining the terms of financing then becomes a requirement of the application for assistance.

It also adds language to reflect an alternative mechanism to determine when the assistance ends as “until the completion of the term of years for which the political subdivision sought state assistance.”

LB 559 also changes the Local Civic, Cultural, and Convention Center Financing Act to allow a city, other than a city of the metropolitan or primary class, that has received funding under the Convention Center Financing Act to also receive funding under the Local Civic, Cultural, and Convention Center Financing Act.

In Grand Island, the hope is to use the turn back mechanism to repay financing required to move the State Fair to grounds in Grand Island as outlined in LB 1116 from 2008. Their plan is to use the turn back mechanism for 10 years at an estimated \$190,000 per year. The hotels in that area are not only cooperative but excited about being able to do contribute in this manner.

Principal Introducer: _____
Senator Mike Gloor